

Progress of Current Trade-Reporting Program

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THERE has long been a realization of the lack of sufficient factual data upon which to base economic and business judgments, but the need for such information has become more pronounced and important in recent years of rapid and drastic change in our economic structure. The program of the Bureau of Foreign and Domestic Commerce, initiated in 1933, contemplated the collection of data upon which an appraisal of the current state of domestic trade activity could be based. This step was designed to provide facts on current trends which would be made readily available to businessmen, statisticians, public officials, and other students of business conditions. Although steady progress has been made on this project, there still remain significant gaps, which it is hoped may be filled as the cooperation of the necessary reporting groups is secured. This article is designed to present a review of the program to date; it supplements the summary which appeared in the February 1936 issue of the Survey of Current Business.

The collection, statistical treatment, and analysis of the material have been handled in the Marketing Research Division of the Bureau. The splendid cooperation of businessmen throughout the country, in furnishing the basic data, and the collaboration of business associations and bureaus of business research of several universities, which have enabled the Bureau to make noteworthy additions to our statistical knowledge, are gratefully acknowledged. Continued collaboration of these and other groups is necessary if we are to make further progress.

The series of retail trade indexes with which the program had its beginning have been augmented by data on other important lines of chain-store sales, by an increased number of States reporting independent retail-store sales, by reports on the dollar volumes of wholesalers and manufacturers, and by the collection of data to indicate the current position of wholesale and retail inventories. Wherever feasible, detailed information is collected for kinds of business, by geographic regions and principal cities, and by commodity groups.

Retail Trade Statistics.

The first studies were undertaken in the chain-store and mail-order fields, supplemented by data on retail sales of new passenger automobiles. Indexes were constructed showing dollar sales of limited-price variety stores, new passenger automobiles, general merchandise in rural areas, both total and by regions, and chain grocery-store sales. These series of indexes are available by months from January 1929, both with and

without adjustments for seasonal variations. Detailed descriptions of the several indexes and the methods employed in their construction have appeared in previous issues of the Survey of Current Business.¹

Supplementary reports on chain-store activity, which as yet are not on an index basis, include the drug and men's-wear fields, and preliminary work has been done on chain sales of shoes and women's wear. With these additions, the Bureau studies of chain-store activity represent lines of business which accounted for more than 50 percent of all sales made by chain organizations, according to the 1935 Census of Business. It is planned to construct an index of chain-store sales in the near future, based on these series and other available data, which will indicate current trends of sales made through chain stores.

Since January 1938, monthly data on the cost value of stocks on hand both in retail stores and in warehouses have been collected from chain retailers in the variety, grocery, and general-merchandise fields. The first public release of these data was recently presented in a midyear summary of retail trade.

Retail sales of independent merchants have been reported from the State of Massachusetts in cooperation with the Boston Federal Reserve Bank since 1934, and from Illinois, Indiana, and Wisconsin since September 1935. These latter States were the first to be covered in the Bureau's sale-reporting program.

The chain-store field could be covered adequately through the cooperation of a relatively small number of organizations, but the study of retail sales of independent stores presents a more difficult problem. It was decided that the data should be developed on a State basis. Since the fall of 1935, when the first releases were issued, the program has been gradually extended until reports are being received each month from some 20 kinds of business in 28 States.² Independent-store sales in the States from which reports are now being received accounted for approximately 60 percent of the total sales of independent retailers, as shown by the Census of Business of 1935. Each of the

¹ March, April, and December of 1934; September 1936; and May 1937, in the order of the series named.

² States now covered in this service and the data for which information was first available are as follows:

Alabama, Oct. 1937.
Arizona, Aug. 1937.
Arkansas, May 1938.
California, Aug. 1937.
Colorado, Aug. 1938.
Florida, July 1938.
Georgia, Oct. 1937.
Idaho, Aug. 1937.
Illinois, Aug. 1935.
Indiana, Aug. 1935.

Iowa, May 1938.
Kansas, May 1938.
Massachusetts, May 1934.
Missouri, May 1938.
Montana, Aug. 1937.
Nebraska, May 1938.
Nevada, Aug. 1937.
New Mexico, Nov. 1935.
Ohio, May 1938.

Oklahoma, Oct. 1938.
Oregon, Sept. 1937.
Pennsylvania, July 1938.
South Carolina, Oct. 1937.
Texas, Oct. 1938.
Utah, Aug. 1937.
Washington, Sept. 1937.
Wisconsin, Aug. 1935.
Wyoming, Aug. 1938.

nine geographic regions, as defined by the Census Bureau, is at present represented in the program by at least one State. Reports are received from all States in the Mountain and the Pacific regions and from all but one State in the East North Central and West South Central groups. Detailed statements for most of the 28 States covered and for the cities of St. Louis, Chicago, Los Angeles, and San Francisco are released regularly each month. (Similar data will be available shortly for Philadelphia and Pittsburgh.) These show sales by kinds of business for the current month, the previous month, and the comparative month of the previous year. The number of stores, dollar sales, computed changes, and a chart showing percentage change by kinds of business are presented in each release.

Table 1.—Independent Store Sales Reported to the Bureau of Foreign and Domestic Commerce Compared With Census Data

States reporting	Bureau sample			Census 1935 ¹	
	July 1938	Year 1937		Store units	Sales
	Store units	Store units	Sales		
Total ²	13,554	13,110	1,909,790	599,444	11,585,307
New England:					
Massachusetts	800	701	(*)	29,582	761,702
Middle Atlantic:					
Pennsylvania	1,121	(*)	(*)	69,809	1,247,290
East North Central:					
Illinois	1,701	1,826	176,480	50,100	899,087
Indiana	494	574	79,545	28,794	438,051
Ohio	1,231	1,053	143,006	48,780	1,094,624
Wisconsin	731	710	118,828	27,438	537,507
West North Central:					
Iowa	776	629	56,115	23,339	419,562
Kansas	565	581	45,335	15,750	305,400
Missouri	977	105	158,021	31,491	580,427
Nebraska	497	437	38,069	12,138	243,636
South Atlantic:					
Florida	354	(*)	(*)	16,718	377,122
Georgia	483	801	57,508	16,854	375,447
South Carolina	328	284	29,109	8,591	156,376
East South Central:					
Alabama	293	180	33,143	12,406	273,323
West South Central:					
Arkansas	252	220	28,813	21,919	182,198
Oklahoma	294	355	32,917	19,023	303,176
Texas	1,200	1,122	194,873	49,524	890,095
Mountain:					
Arizona	198	71	16,858	1,942	67,263
Colorado	452	445	44,898	9,919	233,195
Idaho	203	164	17,860	3,170	100,050
Montana	828	330	25,644	3,150	130,015
Nevada	75	45	5,041	541	24,244
New Mexico	90	77	10,577	2,131	86,065
Utah	184	137	31,477	2,034	72,046
Wyoming	112	114	12,295	2,227	60,338
Pacific:					
California	4,087	1,841	479,917	57,659	1,320,330
Oregon	535	260	63,399	7,290	158,127
Washington	774	473	61,572	11,022	284,024

¹ Census figures shown here include only those kinds of business which are reported to the Bureau of Foreign and Domestic Commerce.

² Totals are for figures shown; the number of stores shown for July 1938 does not include reports received after the 15th of August.

³ Comparable data not available for the year 1937, number of firms as of December.

⁴ Reporting program not extended to include Pennsylvania and Florida until July 1938.

Source: Figures reported to the Bureau of Foreign and Domestic Commerce and the Census of Business, 1935.

Factors showing seasonal variations in various kinds of business are in the course of preparation and are soon to be published. Although the sample data cover a rather short period of time on which to base seasonal changes, it is hoped that these factors will give some

indication of the relationship of sales as between the different months of the year for various kinds of business for which measures of seasonal fluctuation have heretofore been lacking.

A summary of the independent-store sales for the States reporting appears regularly in two of the tri-monthly issues of Domestic Commerce. The issue appearing on the 30th of the month presents sales by States and by regions, while in the issue for the 10th of the following month, sales by kinds of business and by population groups are summarized and presented with other sales data which are described in this article.

An indication of the extent of coverage by States represented by the current reports is shown by figure 1. It should be noted, however, that the number of concerns reporting is expanding steadily; in July 1938, the number of reporting firms had increased to more than 20,000.

The census of 1935 is the latest available for total retail sales, but in comparing the figures in column 4 of the table with those in column 5, consideration should be given to the fact that estimated aggregate retail sales of independent stores in 1937 were about one-fifth higher than in 1935.

In addition to carrying forward and expanding the work already established, the Marketing Research Division envisages the extension of the retail reporting program to cover all States. Thus, it will be possible to present comprehensive retail data upon both a national and a regional basis. It is also planned to collect data from independent stores on credits and collections, and possibly inventories for stores from which such information can be obtained readily. The addition of this material will enhance the value of the information which is now issued. But, with the figures now available, a more comprehensive analysis of data is possible than formerly. With the shifting of the major emphasis from collection to analysis, significant reports of individual industries as well as retailing as a whole should be forthcoming.

All of the basic information reported to the Bureau, together with data gathered from various other sources, is employed in arriving at the Bureau's annual estimates of total retail trade, as well as in estimating the monthly changes in consumer purchasing. It is planned to construct a monthly index of total retail trade, which, when completed, will be presented and described in the Survey of Current Business. This will be a composite figure of the Bureau's series, which have been published for several years, and the Department Store Index constructed by the Board of Governors of the Federal Reserve System. In constructing the index of total sales, each of the indexes, together with independent-store and additional chain-store data, will be carefully analyzed and studied for the purpose of constructing an index which will provide an accurate indication of sales volumes on a seasonally corrected basis.

Wholesale Trade Statistics Expanded.

The monthly collection, analysis, and dissemination of current data reflecting conditions in wholesale trade were initiated in January 1936 by the Bureau in cooperation with the National Association of Credit Men. Arrangements were made with the various Federal Reserve Banks, which were collecting similar information, so that duplication would be avoided and all information of this nature eventually collected by the Bureau of Foreign and Domestic Commerce. The first statement, which contained data for slightly less than 600 wholesalers, presented percentage changes in sales and median collection ratios for various lines of trade. The same month of the previous year and the preceding month were used as bases of comparison to show year-to-year and month-to-month variations.

This series was expanded during 1937 to include the dollar volume of accounts outstanding and the dollars collected in each month rather than a collection ratio figure. These additional data made it possible to publish the value of accounts receivable outstanding on the first of each month, and to afford comparisons with the preceding year and month, as for sales. Toward the close of that year, the desire of business interests to be better informed on the inventory position of wholesalers, and the relationship of inventories to sales, resulted in the addition of inventory data to the regular monthly schedule. This made possible the publication in the December 1937 report of such data, by kinds of business and by regions. The monthly ratio of stocks to sales is also shown.

An indication of the growth that has occurred since the inception of this service may be obtained by a comparison of the number of firms and their dollar volume of sales as reported in the June 1938 release, as compared with the release for June 1936, six months after the initial compilation. In June 1936, 1,090 wholesalers reported sales of \$129,000,000, as compared with about 2,200 firms with sales of \$179,000,000 in June 1938. Adjusting this latter figure for the depressive influence of the recession, the comparable total to the June 1936 figure is \$190,000,000. The fact that the dollar volume as adjusted did not increase in proportion to the number of firms is of interest, as it reflects the efforts to collect data from the smaller firms for the purpose of improving the representativeness of the sample.

In addition to the monthly data, cumulative information is being shown by quarters for all lines of trade. The first tabulation of this sort was made in July 1938 and compared data for the first 6 months of 1938 and 1937. Efforts are being made to build up the number and representativeness of the reporting firms, and the

sample will be expanded and improved by the end of the present calendar year. Plans also have been made to supplement the current statistics with historical data which will permit the preparation of comparable time series for both sales and stocks.

The Bureau prepares monthly a special tabulation for 11 of the 12 Federal Reserve Bank districts. Data contained in these tabulations are basic in the preparation of the Federal Reserve Bulletins.

Dollar Figures on Manufacturing Industries.

Coincidental with the current reports on wholesale trade, dollar figures on sales and collections of manufacturers, by types of industries, were collected. Major emphasis, however, has not been given this activity because the existing facilities were devoted mainly to developing the data on wholesale and retail trade. At present, monthly figures showing sales, accounts receivable outstanding, and collections for the reporting firms are published for the major manufacturing industries. Cumulative figures are reported at quarterly intervals.

In the June 1938 bulletin, 1,118 manufacturing firms with an adjusted monthly sales value of \$228,000,000 supplied data, as contrasted with 543 firms showing a value of \$179,000,000 in June 1936. It is planned, when facilities permit, to expand the sample of manufacturers reporting, particularly in certain lines of trade where existing data are inadequate, and to include stock information.

Industry Reports.

In order that businessmen may have currently available, in a single publication, a picture of the conditions in a particular industry, from manufacturer through the wholesale and retail distributive channels to the ultimate consumer, special trade summaries are issued. Such reports are now being issued in the drug, hardware, and food fields. In the electrical trade, a special summary, which does not include retail data, is issued.

The drug release, which will serve to illustrate this type of report, records manufacturers' sales, accounts receivable, and collections for the country as a whole; wholesale sales, subdivided to present total sales, sales of drug and drug sundries and liquor sales reported by regions, as well as accounts receivable outstanding, collection and inventory data; chain drug-store sales in total, and by tobacco and fountain departments, by regions, and independent drug-store sales for the States now being covered.

Additional reports of this type will be prepared in those cases where the adequacy of the reports warrants. Such data as are contained in these reports are basic to industry analysis.